

**TOWN OF GRANITE
GRANITE, OKLAHOMA**

**AGREED UPON PROCEDURES
AND ACCOMPANYING
INDEPENDENT ACCOUNTANT'S REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2021**

**TOWN OF GRANITE, OKLAHOMA
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Practitioner's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Board, Town of Granite
Granite, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have performed the procedures enumerated below as defined within the applicable state laws of the State of Oklahoma solely to assist the Town of Granite, Oklahoma (the "Town") and Utility Fund in meeting its financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2021. Management of the Town is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting its financial accountability requirements as prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1-.3. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Procedures and Findings

As to the Town of Granite as of and for the fiscal year ended June 30, 2021:

- I. **Procedures Performed:** Prepare a schedule of changes in fund balances for each fund from the Town's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit I. No instances of noncompliance noted.

- II. **Procedures Performed:** Prepare a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund and compare the actual expenditures reported to the authorized appropriations to report any noted instances on noncompliance with the appropriation limitations.

Findings: See Exhibit II. No instances of noncompliance noted.

- III. **Procedures Performed:** Agree the Town's material bank account balances to bank statements and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: The Town has sixteen confirmed bank accounts and two cash accounts on the general ledger with no bank account associated. Reconciliations were prepared for six of the sixteen accounts confirmed. Of the six reconciled, three were overstated by a total of \$13,823.98 and two were understated by a total of \$6,722.61, one reconciled without exception. Five of the accounts were not formally reconciled, however, there were no bank discrepancies found.

Five account balances were provided on the confirmation but were not found in the general ledger in any fund. These include the following accounts: Granite Food Bank, Staff Account, Senior Citizens Meals, Granite Firefighters Association, Granite Fire Dept/Fire Runs. The total bank balance of these five accounts is \$9,860.41.

Recommendation: The Town should maintain proper controls to ensure all accounts are recorded accurately on the general ledger and reconciled timely.

- IV. **Procedures Performed:** Compare the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted. All deposits were insured or collateralized at June 30, 2021.

- V. **Procedures Performed:** Compare use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. **Procedures Performed:** Compare the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VII. **Procedures Performed:** Compare the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No such compliance requirements were identified that were applicable to the Town.

As to the Granite Utility Fund, as of and for the year ended June 30, 2021:

- I. **Procedures Performed:** Prepare a schedule of revenues, expenditures, and changes in fund balance-cash basis from the Utility Fund's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit III. No instances of noncompliance noted.

- II. **Procedures Performed:** Agree the Utility Fund's material bank account balances to bank statements and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: The Utility Fund has two confirmed bank accounts. Reconciliations were prepared for one of the two accounts confirmed. The account that was reconciled was understated by \$0.60 and the account that was not reconciled was overstated \$9.09. Combined CD balances were overstated \$101,035.21 – this includes a \$100,000 CD that was cashed in that did not get correctly recorded in the general ledger.

Recommendation: The Utility Fund should maintain proper controls to ensure all accounts are recorded accurately and reconciled timely.

- III. **Procedures Performed:** Compare the Utility Fund's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted. All deposits were insured or collateralized at June 30, 2021.

- IV. **Procedures Performed:** Compare the Utility Fund's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- V. **Procedures Performed:** Compare the accounting for the Utility Fund's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. **Procedures Performed:** Compare the Utility Fund's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

We were engaged by the Town to perform this agree-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the additional requirements prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1.-3. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, to meet the requirements prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1.-3. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than those specified parties.



rsmeacham
CPA • ADVISORS

Clinton, Oklahoma
May 25, 2022

EXHIBIT I

**TOWN OF GRANITE, OKLAHOMA
SUMMARY OF CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021**

	Beginning of Year Fund Balance	Current Year Change	End of Year Fund Balance
TOWN OF GRANITE, OK			
General Fund	\$ 1,108,010	(159,993)	\$ 948,017
Public Works Authority	\$ 2,199,680	(49,556)	\$ 2,150,124

EXHIBIT II

TOWN OF GRANITE, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Approved Estimate of Needs	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 56,963	\$ 1,108,010	\$ 1,051,047
Resources (Inflows):			
Sales Tax	203,178	230,862	27,684
Police Fines	8,314	8,919	605
Charges for Services	9,739	12,842	3,103
Swimming Pool	717	1,544	827
Fire Truck	5,000	1,850	(3,150)
Grant Income	52,500	1,953	(50,547)
Donations	-	740	740
Sales of Assets	27	30	3
Interest Income	-	32	32
Miscellaneous Income	37,407	175,526	138,119
Transfer In - Utility Fund	530,000	200,000	(330,000)
Total current year resources	<u>846,882</u>	<u>634,298</u>	<u>(212,584)</u>
Amounts available for appropriation	<u>\$ 903,845</u>	<u>\$ 1,742,308</u>	<u>\$ 838,463</u>
Charges to Appropriations (Outflows):			
General Government:			
General Government Dept.	223,272	69,204	154,068
Police Dept.	347,531	327,370	20,161
Fire Dept.	53,341	47,563	5,778
Ambulance	24,000	24,000	-
Street Dept.	100,000	180,187	(80,187)
Park & Pool Dept.	41,238	30,102	11,136
Cemetery Maintenance	7,500	4,459	3,041
Senior Citizens	20,000	11,818	8,182
Community Events	5,000	4,955	45
Library	20,000	5,674	14,326
Headstart Building	2,500	-	2,500
Animal Welfare	2,500	1,259	1,241
Transfer Out - Street	-	87,700	(87,700)
Total General Government	<u>846,882</u>	<u>794,291</u>	<u>52,591</u>
Total Charges to Appropriations	<u>846,882</u>	<u>794,291</u>	<u>52,591</u>
Change in Fund Balance	<u>-</u>	<u>(159,993)</u>	<u>159,993</u>
Ending Budgetary Fund Balance	<u>\$ 56,963</u>	<u>\$ 948,017</u>	<u>\$ 891,054</u>

EXHIBIT III

TOWN OF GRANITE, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
UTILITY FUND
FOR THE YEAR ENDED JUNE 30, 2021

Operating Revenues:

Charges for services:

Sewer	\$ 38,772
Water	191,696
Trash	135,275
Gas	335,871
Electric	733,130
Excess Wind Energy Sales	31,758
Other Utility Revenues	6,060
Total Operating Revenues	<u>1,472,561</u>

Operating Expenses:

Sewer	46,009
Water	287,442
Trash	123,870
Gas	405,172
Electric	624,617
Total Operating Expenses	<u>1,487,110</u>

Net Operating Income	\$ (14,549)
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Non-Operating Revenues/(Expenses):

Interest Income	10,924
Grant Income	51,000
Admin	103,069
Transfer Out to General Fund	(200,000)
Total Non-Operating Revenues/(Expenses)	<u>(35,007)</u>

Change in Fund Balance	\$ (49,556)
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Fund Balance - Beginning	<u>2,199,680</u>
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Fund Balance - Ending	<u>\$ 2,150,124</u>
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